

Artmarket.com: France obtains the maintenance of VAT at the reduced rate of 5.5% on the Art Market, a major victory with very considerable advantages according to Artprice.

France's art market professionals will be extremely relieved by this news. The French government has decided to maintain the VAT rate at 5.5% for initial sales and imports of artworks from countries outside the European Union, proof that the two French Ministers, (Rima Abdul Malak for culture and Bruno Le Maire for the economy) succeeded in making their case against strong headwinds from Brussels.



On the left, Rima Abdul Malak, Minister of Culture

On the right, Bruno Le Maire, Minister of the Economy, Finance and Industrial & Digital Sovereignty

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[<https://imgpublic.artprice.com/img/wp/sites/11/2023/09/image1-Rima-Abdul-Malak-Culture-Bruno-Lemaire-Economy-Finance.jpg>]

If they had failed, there was a high risk that VAT would be raised to 20% before 1 January 2025, which would undoubtedly have broken the dynamics of the French art market, now the fourth largest national art market in the world according to [Artprice.com](https://www.artprice.com) by Artmarket.

Over recent years France has been accumulating a number of very positive signals for the re-

emergence of its art market. These include the presence of large private foundations such as the Fondation Louis Vuitton and the Pinault Collection, the replacement of the FIAC with Paris+ (organized by Art Basel), the arrival and/or expansion of major international galleries such as the Gagosian, Zwirner, Skarstedt, Max Hetzler, Thaddaeus Ropac, Continua, Marian Goodman, and Bonhams' recent acquisition of the French auction house Cornette de Saint Cyr, not to mention the rise of the two major global auction houses, Christie's and Sotheby's, both owned by French business tycoons (François Pinault and Patrick Drahi respectively), and, the successful transformation of Drouot, and Arcurial (Dassault family), France's leading auction house in terms of turnover which now ranks 14th among the world's top 20 auction houses.

Since Brexit, the French art market has been the main beneficiary being the main gateway to the European Union.

A VAT rate hike to 20% would have a negative impact not just on artists, antique dealers, art dealers, and auction houses, but also on the entire art market ecosystem which includes tens of thousands of people employed in related fields ranging from frame-building to journalism, from restoration to transport, from logistics to security and from tourism to insurance.

In March 2023 the Parisian gallery owner Kamel Mennour told the *Le Monde* newspaper (interview by Harry Bellet) *"If the increase makes it difficult for me to sell their works, I will obviously be less inclined to sign new artists"*. Now that the VAT has been maintained at 5.5%, Kamel Mennour can breathe a sigh of relief...

[Artprice.com](https://www.artprice.com) by Artmarket congratulates the government's decision.

VAT at 20% would have harmed the art market in France as a whole, and, as a result, would have damaged the confidence and dynamism of [Artprice.com](https://www.artprice.com) by Artmarket's French clientele. Incidentally – as the World Leader in Art Market Information for more than 25 years – Artprice notes that its French clients, who represented less than 5% of their total clientele a few years ago, now represent more than 10% (see Artmarket.com's universal reference document registered with the AMF, France's Financial Markets Authority), showing that French collector participation has doubled.

The reduced VAT rate of 5.5% will therefore continue to apply as of 2025 to initial sales as well as to imports of artworks from outside the EU. The rate will apply to the total price and not just to the margin, which will penalize low-margin sales very slightly.

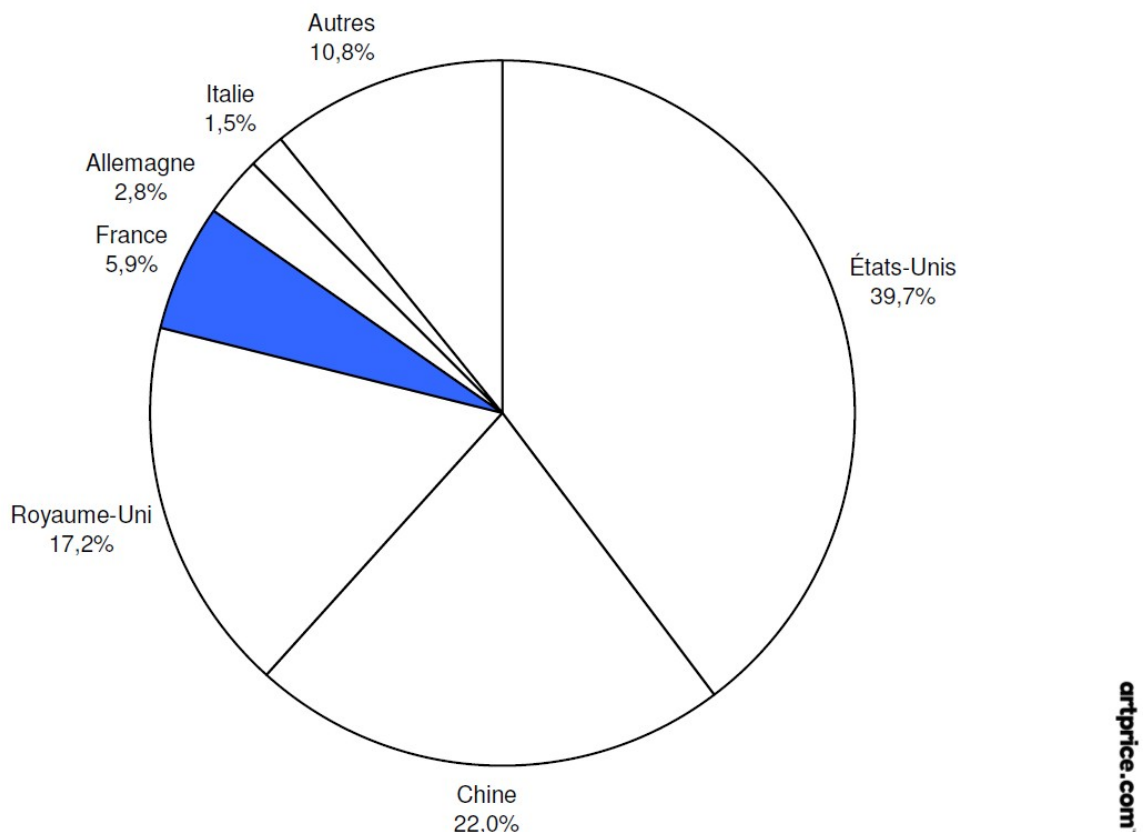
"A VAT rate at 20% would, for example, prevents the return to our country of Impressionist paintings or even masterpieces of Modern art by the likes of Picasso, Matisse and Manet, which are no longer in France although they were created in France and are adored by French collectors. Art is not a common consumer good: a State is enriched by its imports as well as the production of its 'home-grown' artists. Inversely, the departure en masse of its national treasures has an impoverishing impact on the State that loses them." This idea was expressed with courage by journalist Martine Robert who became the 'whistleblower' for this cause for the French economics newspaper *Les Échos* in February 2023.

thierry Ehrmann – founder of Artprice and CEO of Artmarket.com and himself a sculptor (see his biography in [Who's Who In France](#)) – made the following observation: *"This decision by the government will ensure that the dynamism of the French Art Market is not disrupted. We can only rejoice at this courageous decision by our Ministers Rima Abdul Malak and Bruno Le Maire. [Artprice.com](https://www.artprice.com) by Artmarket has worked for more than 25 years with all the players in the French art market, and it knows how much the VAT rate can impact the good performance of the art market.*

As a sculptor, I have been passionately following artistic creation in France for 40 years, and it is once again resonating around the world. This move will give substantial reassurance to French artists.”

Faced with an increasingly globalized art market, France remains a strong and competitive market.

Geographical distribution of Fine Art auction turnover in H1 2023



[\[https://imgpublic.artprice.com/img/wp/sites/11/2023/09/image2-geographical-distribution-fine-art-auction-turnover-H1-2023.png\]](https://imgpublic.artprice.com/img/wp/sites/11/2023/09/image2-geographical-distribution-fine-art-auction-turnover-H1-2023.png)

France’s place in the global and European art market

In the first half of 2023, French auction houses sold 54,000 fine art lots, generating a total turnover of \$384.3 million. [Artprice.com](https://www.artprice.com)’s econometrics department has calculated that France therefore accounts for 5.9% of the overall value of global art auction sales, (giving it 4th place in the world) and 50% of the European art market. And it is creeping ever closer to the Top 3 podium.

Several other European Union countries also play significant roles in the global art market, albeit on smaller scales: Germany (2.8% of global art auction turnover), Italy (1.5 %), Switzerland (1.3%), Austria (0.8%), Poland (0.6%), Belgium (0.6%). Much less centralized than France, the German market is the strongest neighboring country, and Sotheby’s has recently launched new sales sessions in Cologne. Read Artprice by Artmarket reports on the art market: <https://www.artprice.com/artprice-reports/the-art-market-in-2022>

Competition with the United Kingdom

Despite Brexit, the United Kingdom still accounts for 17% of global art auction turnover with 5% VAT. The competition between London and Paris is particularly palpable every year in October.

In a few weeks, Frieze London and Paris+ by Art Basel will take place in short succession. For the first time ever, the latter will be hunting on an equal footing with the Frieze, thanks to the power of Art Basel. In all, October is an intense period with the most prestigious galleries deciding whether or not to make the trip across the Channel. It is also a key time with auction houses hosting major sales and several organizations choosing to make major announcements to the world press. The Marcel Duchamp prize, for example, is awarded every October by the ADIAF (of which [Artprice.com](https://www.artprice.com) by Artmarket is a patron) to an artist from the French art scene at the Pompidou Center in Paris.

According to [Artprice.com](https://www.artprice.com)'s econometrics department, in 1960, France's share of the global art market was 62%. The old stock market adage "a price once attained always comes back sooner or later," also works in economics...

More than 23 years ago, when Artprice definitively became the World Leader in Art Market Information following the spectacular and unexpected acquisition of the American leader Sound View Press NY, there was a widely held belief in financial and economic circles that Artprice's head office would inevitably migrate to its New York offices. The decision to stay in France was indeed a daring one. Today, France can rest assured that the World Leader in Art Market Information, [Artprice.com](https://www.artprice.com) by Artmarket, will remain in France.

Images: [<https://imgpublic.artprice.com/img/wp/sites/11/2023/09/image1-Rima-Abdul-Malak-Culture-Bruno-Lemaire-Economy-Finance.jpg>] [<https://imgpublic.artprice.com/img/wp/sites/11/2023/09/image2-geographical-distribution-fine-art-auction-turnover-H1-2023.png>]

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About Artmarket:

Artmarket.com is listed on Euronext Paris, SRD long only and Euroclear: 7478 - Bloomberg: PRC - Reuters: ARTF.

Discover Artmarket and its Artprice department on video: www.artprice.com/video

Artmarket and its Artprice department was founded in 1997 by its CEO, thierry Ehrmann. Artmarket and its Artprice department is controlled by Groupe Serveur, created in 1987.

See certified biography in Who's who ©:

https://imgpublic.artprice.com/img/wp/sites/11/2023/04/2023_2_Biographie-thierry-Ehrmann_WhosWhoInFrance.pdf

Artmarket is a global player in the Art Market with, among other structures, its Artprice department, world leader in the accumulation, management and exploitation of historical and current art market information in databanks containing over 30 million indices and auction results, covering more than 817,000 artists.

Artprice by Artmarket, the world leader in information on the art market, has set itself the ambition through its Global Standardized Marketplace to be the world's leading Fine Art NFT platform.

Artprice Images® allows unlimited access to the largest Art Market image bank in the world: no less than 180 million digital images of photographs or engraved reproductions of artworks from 1700 to the present day, commented by our art historians.

Artmarket with its Artprice department accumulates data on a permanent basis from 7200 Auction Houses and produces key Art Market information for the main press and media agencies (7,200 publications). Its 7.2 million ('members log in'+social media) users have access to ads posted by other members, a network that today represents the leading Global Standardized Marketplace® to buy and sell artworks at a fixed or bid price (auctions regulated by paragraphs 2 and 3 of Article L 321.3 of France's Commercial Code).

Artmarket, with its Artprice department, has twice been awarded the State label "Innovative Company" by the Public Investment Bank (BPI), which has supported the company in its project to consolidate its position as a global player in the art market.

Artprice by Artmarket's Global Art Market Report, "The Art Market in 2022", published in March 2023:

<https://www.artprice.com/artprice-reports/the-art-market-in-2022>

Artprice releases its 2022 Ultra-Contemporary Art Market Report:

<https://www.artprice.com/artprice-reports/the-contemporary-art-market-report-2022>

Index of press releases posted by Artmarket with its Artprice department:

<https://serveur.serveur.com/artmarket/press-release/en/>

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Discover the alchemy and universe of Artmarket and its artprice department <https://www.artprice.com/video> headquartered at the famous Organe Contemporary Art Museum "The Abode of Chaos" (dixit The New York Times):

<https://issuu.com/demeureduchaos/docs/demeureduchaos-abodeofchaos-opus-ix-1999-2013>

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